

Fund Source Report

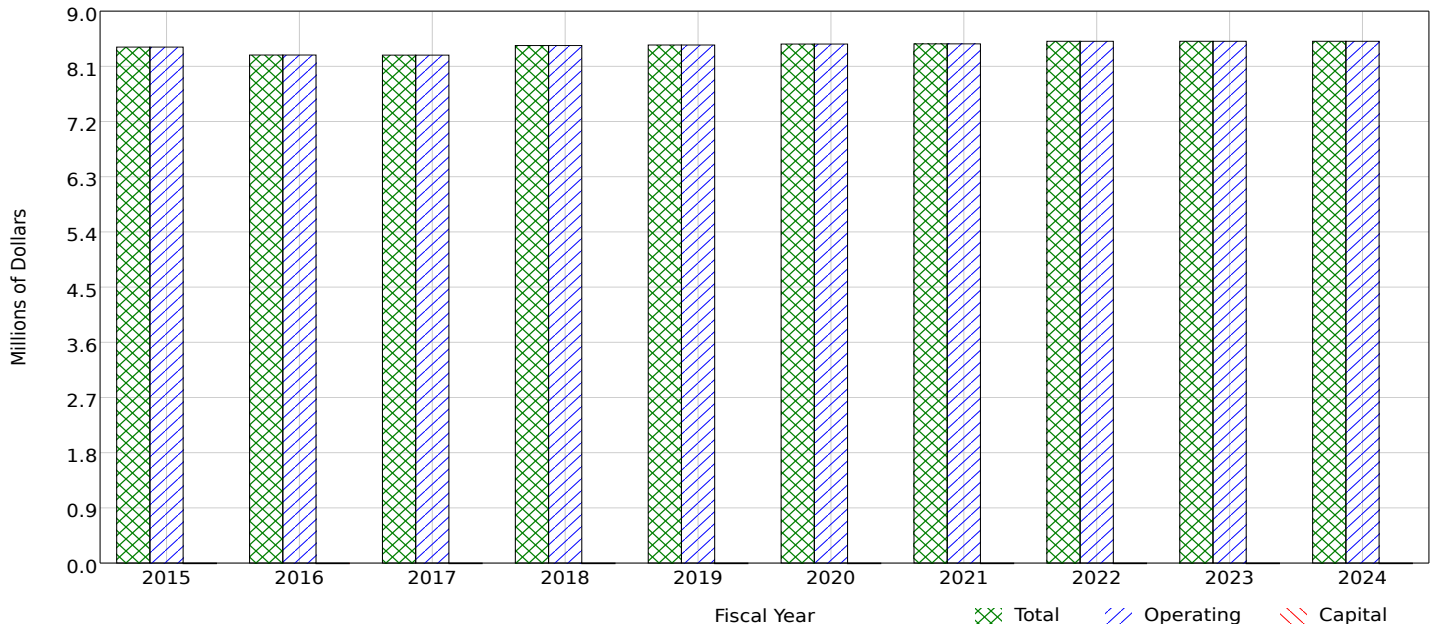
1054

STEP

Employment Assistance and Training Program Account

Year Authorized 1993 Year Repealed Active? Yes Mental Health? No Duplicated? No Fund Group Designated General

Operating and Capital Appropriations



Legal Authority

AS 23.15.625, AS 37.05.146

Source of Revenue

1/10th of 1% of wages subject to employee contributions for unemployment insurance under AS 23.20.290(d) is diverted from the Unemployment Insurance trust fund to the STEP account.

Restrictions on Use

The annual estimated balance of this subaccount of the general fund may be appropriated to implement the State Training and Employment Program, including covering the costs of administering the program. The Department of Labor and Workforce Development may purchase services or issue grants to implement the program.

Description and History

Chapter 95, SLA 1989 established the employment assistance and training program as a two-year pilot project. The program was extended for another two-year pilot project under Chapter 17, SLA 1991. In 1993 STEP was reauthorized through June 1996. Chapter 116, SLA 1996 established State Training and Employment Program (STEP) as a permanent state program.

Money deposited into this account equals 1/10th of 1 percent of the wages on which an employee is required to make contributions to the unemployment trust fund under the Alaska Employment Security Act (AS 23.20). Although statute indicates an intent to appropriate unspent balances to the Unemployment Compensation Trust Fund, recent budgets have been silent on unexpended balances, so unspent money accumulates in the STEP account.

Although STEP collections began in state fiscal year 1990, there were no appropriations for the State Training and Employment Program until FY91. The FY91 and FY92 appropriations for STEP activities were general funds and general fund program receipts. Because there was a balance established in the fund, the program was forward-funded. The balance, equal to the general funds expended in its formative years, was appropriated in the FY00 budget.

October 2010

The Budget Clarification Project changed this fund code classification from "Other" to "Designated General Funds." The use of this fund is designated in statute; however, use of these funds is at the discretion of the legislature.